Cub
Foods
Low Price Leader

Sept. 12, 1981

Work begins on two Cub Food Stores in Green Bay

Construction has started on two Cub Food Stores in Green Bay, one on each side of the city.

The West Side store will be near the northwest corner of South Military and West Mason Street. The East Side store will be in the new East Towne development south of East Mason Street.

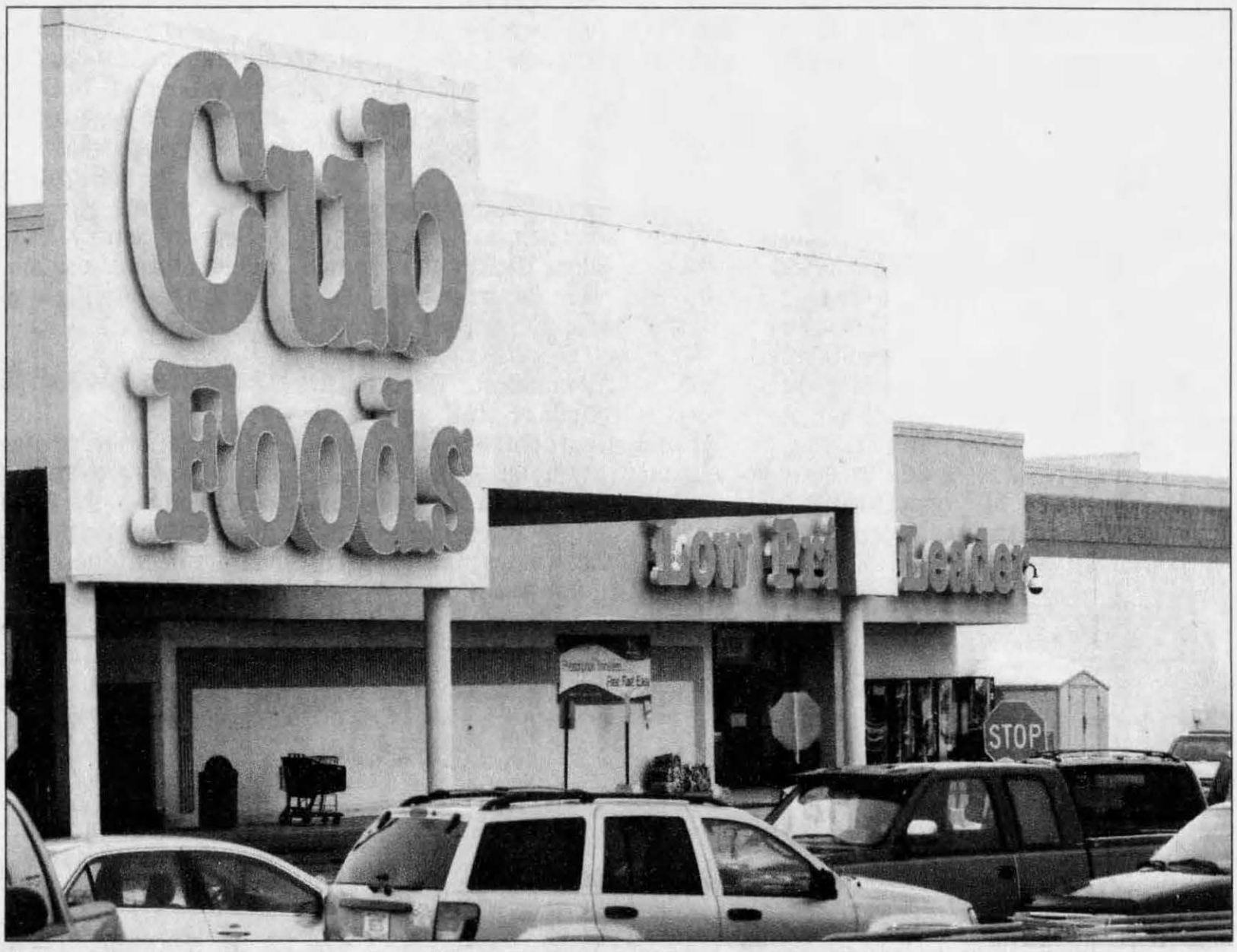
The stores are scheduled for a March opening. Both will have 43,000 square feet of space and each will employ about 165 persons. Job applications will be handled through Job Service after Oct. 1.

Cub Foods, which operates seven stores in the Minneapolis/St. Paul area, is owned by Super Valu Stores Inc.

The new stores will follow the concept reducing some of the services offered at traditional supermarkets and passing those cost savings on to customers.

Charles Hooley, president of Cub Foods, based in the Minneapolis area, said the company intends to establish a regional headquarters in Green Bay.

Cub stores closing



Both Cub Foods locations in Green Bay, this one on East Mason Street and the West Mason Street and Military Avenue site, will close in mid-March. Citing losses, owner SuperValu Inc. of Eden Prairie, Minn., is closing 50 mostly underperforming stores nationwide. **Jim Matthews/Press-Gazette**

West Mason site considered prime development area

BY RICHARD RYMAN
rryman@greenbaypressgazette.com

Cub Foods is closing its two Green Bay stores in mid-March.

That's bad news for loyal Cub shoppers — though there are adequate grocery options near each store — but it might be good news for developers, especially on valuable West Mason Street/Military Avenue corner.

The grocery store chain announced the closing to store employees and the public Monday morning.

Debbie Winans of Abrams, a Cub customer at the West Mason Street store, said she doesn't look forward to finding a new grocery; she knows where everything is in the Cub store.

Cub Foods closings

Both Cub Foods stores in Green Bay are expected to close by mid-March.

Press-Gazette

"I've been coming here for 21 years," she said. "It's sad. It really is."

Cub owner SuperValu Inc. of Eden Prairie, Minn., announced last week it would close 50 mostly underperforming stores nationwide after reporting a $2.9 billion loss in the third quarter on $10 billion in sales. Other SuperValu brands include Albertson's, Jewel-Osco and Save-A-Lot.

Winans said it seemed to her that shelves weren't stocked quite as fully and a sign on the door announced new hours.

"I didn't know what was going on," she said.

She also said the lost jobs won't be good for the community.

➤ See Cub, A-2

Cub/East-side site is anchor for East Town Mall

➤ From A-1

Kathy Van Roy of Green Bay said the closing is a disappointment for a number of shoppers. Van Roy said the store on West Mason Street has a large population of elderly shoppers who use the store because of its convenience.

"I'm sorry to hear that they're closing," she said. "Lots of the elderly need this store badly."

The company did not provide information on the Green Bay stores other than to say they will close in mid-March and that the closings were because of "a difficult economic environment." It would not say how many employees would be affected. The company said in 2001, when the stores were remodeled, that each employed about 150 full- and part-time workers.

Cub also is closing one of three stores in Madison, one in Beloit and one in Peoria, Ill.

Banks stay open

The closings also affect North Shore Bank branches in each location, though how remains to be determined.

"We are working hard to put together the right plan to see that (service) continues," said Steve Arps, vice president of consumer markets for North Shore. "We will stay open as long as they are open, and perhaps longer. That might be an option."

North Shore has four other branches in the Green Bay metro area.

Both Cub stores in Green Bay opened in 1982, and North Shore has had branches in them since 1989.

The closings will have wider retail impact because grocery stores are big traffic generators.

Ryan McIlwee, vice president of property management for MLG Management, which manages East Town Mall, said the closing is unfortunate. Cub is one of several key anchors at the shopping center.

"It's never a good thing to have one of your anchors close. It certainly doesn't help as far as drawing traffic to the general area," he said.

On the other hand, he said, Kohl's is planning to remodel its East Town store.

"If they weren't strong and doing good sales there, they wouldn't be doing that," he said.

Development possible

Derek Lord, Green Bay economic development director, said the West Mason store was good for the neighborhood, and manager Craig Beyl, who also is president of the Bellevue Village Board, has been an active member of the Military Avenue Business Association.

Lord said it's unlikely either location will attract another grocery store.

Even with the Cub closings, competition remains intense in Green Bay. The East Town store is close to other grocery stores including a Copps Food Center, Aldi and a planned Wal-Mart Supercenter.

Customers on Monday leave the Cub Foods store on West Mason Street in Green Bay. With the store closing in mid-March, the site is considered prime redevelopment property. **Jim Matthews/Press-Gazette**

Cub Foods closing

- Cub Foods said Monday it will close its stores at 1616 W. Mason St. and 2280 E. Mason St., both in Green Bay, in mid-March.
- Cub, which is headquartered in Stillwater, Minn., and is a subsidiary of SuperValu, opened the two stores in 1982.

The West Mason store is within a mile and a half of Festival Foods, Wal-Mart Supercenter, Copps and Aldi.

Though the closing of the stores is unfortunate, Lord said the West Mason/Military Avenue corner should be attractive to developers, and the East Mason store is part of a larger shopping center.

The West Mason site is "one of the best intersections in the city," Lord said. "It does present an opportunity."

Bryan Boettcher, president of the Military Avenue Business Association, said the closing was bad news, but also opened up the corner for other development.

"In the long run, it's probably the most important intersection we have for redevelopment," he said.

Tight profit margins

Grocery store owners say they operate on a profit margin of 1 percent to 2 percent in the best of times, so as competition increases, so does the challenge of surviving.

"This industry operates on such a tight margin. There really isn't much room for error here," said Brandon Scholz, president of the Wisconsin Grocers Association. "You buy $100 worth of stuff and by the time ... all is said and done, (profit) is less than a buck.

"When you are operating in an environment like that, everything has to run pretty smooth."

The Cub announcement is the latest in a series of grocery store changes in the past decade.

New competitors include Woodman's, which opened the area's largest store in Howard in 2000; Copps, which opened stores on Main Street in Green Bay in 2008 and in Bellevue in 2003; and Wal-Mart, which built Superstores in De Pere and west Green Bay and plans another in east Green Bay. Festival also built new stores in De Pere and Bellevue and remodeled and expanded its store on West Mason Street.

Several Sentry and Jubilee stores, unable to match the larger competitors, closed.

Low prices drive buying

Ben Senauer, professor of applied economics and co-director of the Food Industry Center at the University of Minnesota, said he was surprised by the closings because Cub Foods stores generally are identified as discount grocers. It's likely SuperValu looked at its same-store sales and made some decisions about where they are going to be competitive, he said.

Cub has better density in other areas, such as the central Twin Cities, where it has 35 percent market share, he said.

"There is a certain critical mass they feel that they've got to have to be competitive," he said.

In the midst of the recession, Senauer said consumers have become super-sensitive about prices.

"Cub shoppers are willing to go to the inconvenience of shopping a larger store for the savings you get," he said. "Given the price consciousness, a lot of people are passing that (closer) grocery store if they consider that a higher-priced option. They may not move all the way down to Aldi, but they will look for something less expensive."

Scholz said consumers look for three things in choosing a store: quality products, good prices and customer service.

"They may already have a second choice. I don't think they will be unfamiliar with the competitors, but now they're faced with the decision of, 'well, where am I going to go?'" he said. "They'll have to weigh in location, types of products, what the store is known for and, generally, what kind of feeling they get."

— Sara Boyd and Bob VanEnkenvoort/Press-Gazette